



OHIO PUBLIC WORKS COMMISSION SMALL GOVERNMENT PROGRAM

METHODOLOGY

Revised July 21, 2010

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POLICIES

The Small Government Program provides grants and loans to villages and townships with populations in the unincorporated areas of less than 5,000 in population. **Only infrastructure that is village or township-owned is eligible for assistance.** The following policies have been adopted by the Small Government Commission:

- District Integrating Committees may submit up to seven applications for consideration by the Commission. All seven must be ranked, however, only the top five will be scored. The remaining two will be held should an application be withdrawn, or if needed to retain program competitiveness. If the program is not competitive, all 6th ranked projects will be scored. If the program remains uncompetitive, all 7th ranked projects will be scored.
- Grants are limited to \$500,000. Any assistance above that amount must be in the form of a loan.
- Grants for new or expanded infrastructure can not exceed 50% of the project estimate.
- The Commission may deny funding for water and sewer systems that are deemed to be more cost-effective if regionalized.
- If a water or wastewater project is determined to be affordable due to the Affordability Standards calculation or due to the absence of documentation, the project will be offered a loan rather than a grant.
- Should there be more projects that meet the 'annual score' than there is funding, the tie breaker is those projects which scored highest under Health & Safety, with the second tie breaker being Age/Condition. If multiple projects have equivalent Health & Safety and Age/Condition scores they are arranged according to the amount of assistance from low to high. Once the funded projects are announced, 'contingency projects' may be funded from project under-runs by continuing down the approved project list.
- Supplemental assistance is not provided to projects previously funded by the Commission.
- Applicants have 30 days from OPWC's notification without exception to provide additional documentation to make the application more competitive under the Small Government criteria. Applications will be reviewed and scored after the 30-day period has expired. The applicants for each District's 6th and 7th ranked projects will have the same 30-day period to submit supplemental information but these applications will not be scored unless necessary to do so. **It is each applicant's responsibility for determining the need for supplemental material. The applicant will not be asked for or notified of missing information unless the Commission has changed the project type and it affects the documentation required.**

EVALUATION CRITERIA

COMPLETE & APPROPRIATE SUPPORT DOCUMENTATION MUST BE PROVIDED FOR A CRITERION IN ORDER TO BE AWARDED POINTS.

1. Ability and Effort of the Applicant to Finance the Project (Maximum 10 points)

- A. Roads, Bridges/Culverts, Storm Water, Solid Waste Projects – Include copy of most recent “Auditor’s Certificate of Estimated Revenues” or documentation from the Auditor of State that the subdivision is in a state of fiscal emergency. Financial documents of any other type will not be accepted. **If the Auditor’s Certificate is not provided the project application will not be accepted by the Commission.** Funds used for this criterion are shown in the table below.

Infrastructure Type	Village	Township
Roads	Street, MVL, General	MVL, Gas Tax, Road & Bridge, Permissive MVL, General
Bridges	Street, MVL, General	MVL, Gas Tax, Road & Bridge, Permissive MVL, General
Culverts	Street, MVL, General	MVL, Gas Tax, Road & Bridge if roadway culvert, Permissive MVL, General
Solid Waste	General &/or special fund for that purpose	General &/or special fund for that purpose
Storm Water	General &/or special fund for that purpose	General &/or special fund for that purpose

- 0 Total project cost represents less than 50% of subdivision's total combined funds legally eligible for infrastructure type
- 5 Total project cost is between 50 - 100% of subdivision's total combined funds legally eligible for infrastructure type
- 10 Subdivision is in fiscal emergency or total project cost exceeds 100% of subdivision's total combined funds legally eligible for infrastructure type

- B. Water and Wastewater Projects – Affordability calculated by OPWC according to the water & wastewater Affordability Standards provided in this document. See these standards for documentation requirements.

- 0 Project is affordable without SCIP funds
- 5 Project is affordable, but within \$50 of affordability threshold
- 10 Project exceeds affordability thresholds

2. Importance of Project to Health and Safety of Citizens (Maximum 10 points)

- A. Road, Bridge, Culvert – Provide appropriate documentation according to project type. Roads: accident data, description of safety issue; Bridges: General Appraisal or Sufficiency Rating; Culverts: clear description and photos.

- 0 New infrastructure to meet future or projected needs
- 2 New infrastructure to meet current needs; Bridges with General Appraisal of 6 or above or with a Sufficiency Rating of 81-100
- 4 Roadway resurfacing and berming with/without minor repairs; Replace or install signal where warranted; Bridges with a General Appraisal of 5 or Sufficiency Rating of 66-80; Culvert replacement with no associated damage

- 6 Road widening or roadway with partial or full-depth repair; Intersection improvement to add lanes or realignment; Bridges with a General Appraisal of 4 or Sufficiency Rating of 51-65; Culverts with inadequate flow capacity
- 8 Road widening to add lanes or complete full-depth reconstruction; Intersection improvements that include upgraded signalization due to traffic over capacity; Bridges with a General Appraisal of 3 or Sufficiency Rating of 26-50, or posted load reduction; Culverts with inadequate flow capacity and property damage (i.e. flooding)
- 10 Complete roadway reconstruction with widening; Intersection improvement to address excessive accident rate and/or inadequate level of service (include accident data or LOS from traffic study as appropriate); Bridges with General Appraisal of 2 or less, or Sufficiency Rating of less than 26; Culverts that are structurally deficient

B. Water, Wastewater, Storm Water, Solid Waste – Provide clear explanation of problem project addresses if not previously described and any OEPA or District Health Board orders, letters or documentation.

- 0 Infrastructure to meet future or projected needs
- 2 Expanded infrastructure to meet specific development proposal
- 4 Infrastructure to meet current needs; Update processes to improve effluent or water quality; To remain in compliance with permit due to increased standards; Increase storm sewer capacity in which there is no associated land damage; Increase sanitary sewer capacity; Replace water meters as part of an upgrade
- 6 Update processes due to OEPA recommendations or to remain in compliance with permit due to repeat offenses; District health board recommendation; Increase storm sewer capacity that has associated land damage; Replace undersized waterlines as part of upgrade; Install new meters or replace meters that have exceeded useful life
- 8 OEPA recommendation to address documented health concerns; Replacement of storm or sanitary sewers due to chronic flooding, back-up, or property damage; Inadequate capacity to maintain pressure required for fire flows; Replacement of waterlines or towers due to excessive corrosion
- 10 OEPA Findings & Orders, OEPA orders contained in permit, Consent Decree or Court Order; Structural separations (CSOs)

3. Age and Condition of System to be repaired or replaced. This is a two-part criterion. (Maximum 10 points)

Age: Bridge/Culvert and Road: Provide the year there was a change in level of surface (i.e., upgrade in surface type from gravel to chip-seal, chip-seal to hot mix/concrete, lane additions, road widening, etc.) or the year of the last major reconstruction/rehabilitation. Water, Wastewater, Sewer, Solid Waste: Provide the year the infrastructure was installed if there was no upgrade.

Life	50	20	50	50	50	30	50
Project Type	Bridge / Culvert	Road	Sanitary Sewer	Solid Waste	Storm Water	Wastewater	Water
Points							
0	New / Expansion	New / Expansion	New / Expansion	New / Expansion	New / Expansion	New / Expansion	New / Expansion
1	1997-09	2005-09	1997-09	1997-09	1997-09	2002-09	1997-09
2	1985-96	2001-04	1985-96	1985-96	1985-96	1995-01	1985-96
3	1972-84	1995-00	1972-84	1972-84	1972-84	1992-94	1972-84
4	1960-71	1990-94	1960-71	1960-71	1960-71	1981-91	1960-71

5	Before 1960 or closed	Before 1990 or closed	Before 1960	Before 1960	Before 1960	Before 1980 or out of service	Before 1960 or out of service
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Condition: Provide clear description of condition if not described in the application; photos are encouraged.

- 1 New/Expansion: New or expansion project components represent at least 50% of improvements
- 3 Poor: Infrastructure contains a major deficiency and will require repair to continue functioning as originally intended and/or upgrade to meet current design standards.
- 5 Failed: Infrastructure not functioning as originally intended or not functioning at all

4. Leveraging Ratio – The applicant has committed local and other funds to finance the following percentage of total project cost. (Maximum 10 points)

	Repair/Replacement	New/Expansion
0	10 or less	50 or less
1	11-15	51-55
2	16-20	56-60
3	21-25	61-65
4	26-30	66-70
5	31-35	71-75
6	36-40	76-80
7	41-45	81-85
8	46-50	86-90
9	51-55	91-95
10	55 or more	95 or more

5. Population Benefit – Determine the number of those to benefit directly from the improvement. (Maximum 5 points)

Roads and Bridges: Provide current Average Daily Traffic (ADT) of all the roads and / or bridges included in the application. If there is more than one facility in the application, this should be the average of all ADTs. Score will be based on the ADT as a percentage of the community's total population from the most recent decennial Census or updated population certification from the Ohio Secretary of State.

Water, Wastewater, Storm Water, Solid Waste: Provide the number of households who will directly benefit. Score will be based on the number of households as a percentage of the community's total households from the most recent decennial Census.

0	10% or less
1	25% - 11%
2	35% - 26%
3	45% - 36%
4	55% - 46%
5	56% or more

6. District Priority Ranking (Maximum 10 points)

6	5 th ranked district project
7	4 th ranked district project
8	3 rd ranked district project
9	2 nd ranked district project
10	1 st ranked district project

7. Amount of OPWC funding requested (grant and loan) – Assistance exceeding \$500,000 must be in the form of a loan. (Maximum 10 points)

0	\$450,000 or more
2	\$350,000 - \$449,999
4	\$250,000 - \$349,999
6	\$150,000 - \$249,999
8	\$ 50,000 - \$149,999
10	\$50,000 or less

8. Loan request as a percentage of OPWC assistance. (Maximum 10 points)

1	15 - 29% of OPWC assistance
5	30 - 49% of OPWC assistance
10	50 - 100% of OPWC assistance

9. Useful Life of Project (Maximum 5 points)

1	7 - 9 years
2	10 - 15 years
3	16 - 20 years
4	21 - 25 years
5	25 years or more

10. Median Household Income of applicant from the most recent decennial Census unless applicant provides a valid income survey approved by the Ohio Department of Development. Score will be based on the community's MHI as a percentage of the most recently published statewide MHI. (Maximum 10 points)

2	110% or more
4	100% - 109%
6	90% - 99%
8	80% - 89%
10	80% or less

11. Readiness to proceed. This is a two-part criterion. (Maximum 5 points)

Status of Plans

0	Plans not yet begun
1	Plans underway (provide engineer's statement)
2	Plans complete (submit plan signed and stamped Title Sheet, or signed engineer's statement that scope of work does not require plans)

Status of funding sources other than OPWC. CFO Certification must clearly specify the amount of the local share committed and/or the loan repayment amount.

0	All funds not yet committed
2	Applications submitted to funding entities (submit first page of each application)
3	Funding committed (submit copies of commitment letters)

WATER & WASTEWATER AFFORDABILITY STANDARDS

The Small Government Program uses affordability standards for water and sewer projects to determine the number of points (up to ten) to be added to the project's total score. For combined water and sewer bills, the Commission uses a factor of either 2.3 or 3.0 percent of the community's median household income (MHI) to determine how much residents can afford to pay annually for water and sewer services. The most recently published statewide MHI is used for this calculation. If a community's MHI is equivalent to or less than the statewide MHI, the factor is 2.3 percent. If it is greater than the statewide MHI the factor is 3.0 percent. As an example, if a community's median household income is \$35,000, then households within that community could afford combined annual water and sewer bills of \$805.00 (2.3% x \$35,000). Grant assistance is made available by the Commission to those communities whose existing annual rates, along with the annual cost to the residents if the community had to borrow the funds to construct the project, would exceed the threshold levels of affordability. The following is used by the Commission to make its affordability determination:

- The subdivision's *current* water and sewer rates as supported by ordinance/resolution and evidence that rates are in active billing. The ordinance/resolution is a required submission. Include both water and sewer rates regardless of the project type being applied for as the combined rates are used for the calculation. Also include any one-time assessments. If service is supplied by a different entity the subdivision must obtain and submit that entity's ordinance/resolution and rate information. Affordability calculated for new systems for which there are no existing water or sewer rates will use \$0 for the rate factor.

Applicants should complete the attached supplemental and provide all supporting documentation. If the required information is not provided the application will be considered incomplete and the subdivision will not receive points for this criterion. In addition, if the project is recommended for funding the assistance will be offered only in the form of a loan.

- The subdivision's actual average residential monthly usage rate. If information is not supplied with the application 4,500 gallons per month will be assumed.
- The most recent decennial Census of Population and Housing to establish the community's median household income unless documentation is provided that a valid income survey has been conducted which shows an income different than that in the Census. The survey methodology and results must be approved by the Ohio Department of Development.
- The number of households or equivalent dwelling units (EDU's) if businesses are present. The most recent decennial Census of Population and Housing will be used to determine the number of households in the community. This figure will be used as the number of residential connections and beneficiaries for the application. If using EDU's, assume 1 EDU = 4500 Gallons of monthly usage unless a higher consumption level is documented. The amount of EDU's for a commercial customer is determined by dividing the customer's total usage by the EDU amount. For instance, if it is determined that the average residential usage is 5000 gallons of water a month, and a motel uses 25,000 then the motel uses 5 EDU's. If using EDU's provide support documentation showing how total EDU's were calculated.

Water & Wastewater Affordability Supplemental
(This form must be completed for all Water and Wastewater Applications)

Applicant _____

Population – Provide the number of Households or Equivalent Dwelling Units (provide calculation if using EDU's). _____

Usage – The Small Government Commission will assume 4,500 gallons per month unless documentation is otherwise attached proving higher consumption. The means of calculation must be clear. _____

Rates – Provide both water and wastewater rates. Attach all relevant ordinances/resolutions showing the effective date and rate tables. If service is supplied by a different entity the applicant must provide the same information as if it were supplying the service. Calculation of rates must be clear as supported by ordinance or resolution. Calculation must be for rates currently in effect and in active billing; approved rates for a future date will not be accepted.

WATER

Billing Period	Monthly_____	Quarterly_____	Other_____
Unit of measurement	Gallons _____	Cubic Feet _____	Flat Rate _____
Base Charge	\$ _____	0 to X gallons or 0 to X cubic feet	
Second Increment	\$ _____	\$ per unit from X to Y	
Additional Increments	\$ _____	\$ per unit from Y to Z	
Additional Increments	\$ _____	\$ per unit from Y to Z	
Surcharges	\$ _____		
TOTAL	\$ _____		

WASTEWATER

Billing Period	Monthly_____	Quarterly_____	Other_____
Unit of measurement	Gallons _____	Cubic Feet _____	Flat Rate _____
Base Charge	\$ _____	0 to X gallons or 0 to X cubic feet	
Second Increment	\$ _____	\$ per unit from X to Y	
Additional Increments	\$ _____	\$ per unit from Y to Z	
Additional Increments	\$ _____	\$ per unit from Y to Z	
Surcharges	\$ _____		
TOTAL	\$ _____		

DOCUMENT CHECKLIST

This checklist was developed to assist the subdivision in assembling its submission to be at its best advantage. If specified information was not included in the application submission to the district be certain to supply it within 30 calendar days of OPWC's notification. *Any criterion for which required documentation has not been supplied will not receive points since it can not be properly evaluated (see exception for Auditor's Certificate of Estimated Revenues). It is each applicant's responsibility for determining the need for required or supplemental material. Absolutely no material will be accepted after the 30-day deadline.*

Information must be submitted to the attention of Linda Bailiff, Program Administrator, in any one of the following manners:

- E-mailed to Linda.Bailiff@pwc.state.oh.us, or
- Faxed to 614.466.4664, or
- Mailed to the Ohio Public Works Commission, 65 East State Street, Suite 312, Columbus, Ohio 43215.

- ☐ PROJECT TYPE: If it is not clear in the application define the problem that the project addresses. This is required for all infrastructure types. If the Small Government Commission determines that the application should be classified under a different project type than how it was submitted, as part of the 30-day remedy process, the applicant will need to provide any additional information to ensure the project can be scored correctly. Criteria affected by type are Affordability, Health & Safety, Age/Condition, and Population Benefit.
- ☐ AFFORDABILITY: Roads, Bridges, Storm Water and Solid Waste – Most recent Auditor's Certificate of Estimated Revenues or documentation from the Auditor of State that subdivision is in a state of fiscal emergency. **Failure to provide this document for an application for these infrastructure types will result in the Commission's rejection of the application.** Funds used for this criterion are those specific to the type of infrastructure being addressed by the project such as: 1) Townships – Motor Vehicle License Tax (MVL), Gas Tax, Road & Bridge, Permissive MVL and General; 2) Villages – Street, MVL, and General. Also considered are any special funds specific to the infrastructure type addressed by the project.
- ☐ AFFORDABILITY: Water & Wastewater – Affordability is calculated by OPWC based on submission of the following:
 - Small Government Water & Wastewater Affordability Supplemental (provided as part of Evaluation Criteria).
 - Ordinance for both current water *and* wastewater rates, and evidence that rates are in active billing. If service is being supplied by another entity, that entity's ordinance and rate information must be obtained and supplied with the application. Also, include any one-time assessments if they are not included in the current rates.
 - Actual average residential monthly usage rate for water and wastewater. If information is not provided, OPWC will assume 4,500 gallons per month. OPWC will use the subdivision's median household income (MHI) from the most recent decennial Census of Population & Housing unless a valid income survey approved by the Ohio Department of Development is provided.
 - Number of households or equivalent dwelling units (EDU's) if businesses are present. OPWC will use the subdivision's population from the most recent decennial Census of Population & Housing, or documentation supporting the number of EDU's.

- ☐ **HEALTH & SAFETY** – Project should be clearly described in original application; otherwise provide supplemental information so OPWC understands project and the problem being addressed.
 - ☐ Roads: Provide accident data or clear description of safety issue
 - ☐ Bridges: Provide General Appraisal or Sufficiency Rating
 - ☐ Culverts: If not stated in original application, make sure problem is clearly described and provide photos (i.e. replacement with no damage, inadequate flow capacity, inadequate flow capacity with property damage, structurally deficient).
 - ☐ Water, Wastewater, Storm Water & Solid Waste: Clear explanation as to the problem project addresses and any OEPA or District Health Board orders, letters or documentation.

- ☐ **AGE & CONDITION** – Provide the appropriate documentation supporting the year in which the infrastructure was constructed or the last major rehabilitation/reconstruction was completed. Also, if the original application does not clearly describe the condition of the existing infrastructure provide supplemental information. Photos are encouraged if not previously submitted.

- ☐ **POPULATION** –
 - ☐ Road and Bridge projects: Provide Average Daily Traffic if not previously provided.
 - ☐ Water, Wastewater, and Stormwater projects: Provide number of households directly using the improvements if not previously provided.

- ☐ **USEFUL LIFE** – Make sure the signed and sealed/stamped engineer's statement is provided *if not included* in the original application. Revisions will not be accepted for this item.

- ☐ **MEDIAN HOUSEHOLD INCOME** – OPWC will use the most recent decennial Census unless the applicant provides a valid income survey approved by the Ohio Department of Development.

- ☐ **READINESS TO PROCEED** –
 - ☐ Plans: If the plans are underway or the project does not require plans, provide a signed statement from the engineer. If the plans are complete, submit the plan title sheet signed and sealed/stamped by the engineer.
 - ☐ Funding Sources: If applications have been submitted to other agencies, submit a copy of the first page of the application. If funds have been committed by other agencies, submit copies of commitment letters. Be sure that CFO certifications and/or loan repayment letters specify the amount of the local share committed and/or the loan repayment amount.

- ☐ **ALLOWABLE MODIFICATIONS** – Original application may be modified to increase score by providing a written statement for one or both of the following:
 - ☐ Revise the total amount of funding being requested (grant and/or loan)
 - ☐ Take either a partial or full loan
 Although not required at this time, should assistance be offered OPWC will require a revised CFO Certification and/or CFO Loan Repayment Letter.